

111TH CONGRESS
1ST SESSION

H. R. 4368

To authorize the establishment of a Social Investment and Economic Development for the Americas Fund to reduce poverty, expand the middle class, and foster increased economic opportunity in that region, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 16, 2009

Mr. ENGEL (for himself, Mr. MEEKS of New York, Mr. HONDA, Mr. SIRES, Mr. MCGOVERN, and Ms. LEE of California) introduced the following bill; which was referred to the Committee on Foreign Affairs

A BILL

To authorize the establishment of a Social Investment and Economic Development for the Americas Fund to reduce poverty, expand the middle class, and foster increased economic opportunity in that region, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Social Investment and Economic Development for the
6 Americas Act of 2010”.

1 (b) TABLE OF CONTENTS.—The table of contents for
 2 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Definitions.
- Sec. 3. Findings.
- Sec. 4. Statement of policy.
- Sec. 5. Establishing a social investment and economic development fund for the Americas.

3 **SEC. 2. DEFINITIONS.**

4 In this Act:

5 (1) APPROPRIATE CONGRESSIONAL COMMIT-
 6 TEES.—The term “appropriate congressional com-
 7 mittees” means the Committee on Foreign Relations
 8 of the Senate and the Committee on Foreign Affairs
 9 of the House of Representatives.

10 (2) THE AMERICAS.—The term “Americas”
 11 means all the countries of North America, Central
 12 America, South America, and the Caribbean.

13 (3) THE REGION.—The term “Region” means
 14 all the countries of Central America, South America,
 15 the Caribbean, and Mexico.

16 **SEC. 3. FINDINGS.**

17 Congress finds that—

18 (1) it is in the national interest and national se-
 19 curity interest of the United States to help foster
 20 greater economic security and stability in the Amer-
 21 icas;

1 (2) the Americas are a distinct geographical re-
2 gion with political and cultural identities that are
3 linked in important ways;

4 (3) many of the social, economic, and security
5 issues in the Americas transcend national borders,
6 and addressing these issues requires a coordinated,
7 long-term approach;

8 (4) over the last few decades, there has been
9 notable progress on democracy and economic sta-
10 bility in the Region, and it is now largely made up
11 of democracies with shared democratic values;

12 (5) for progress in the Region to be sustained,
13 governments will need to continue to develop effec-
14 tive and transparent civilian institutions, and main-
15 tain a system of checks and balances among those
16 institutions;

17 (6) the United States is committed to pro-
18 moting democracy, human rights, and social and
19 economic development throughout the Americas,
20 while respecting the heritage, culture, and sov-
21 ereignty of all nations;

22 (7) poverty and inequality remain persistent
23 problems in the Americas, spawning street crime,
24 criminal cartels, and undermining the authority of
25 government institutions;

1 (8) the poverty rate in the Region is nearly 40
2 percent, with little significant improvement since the
3 1980s, and the countries in the Region, on average,
4 have the most unequal distribution of wealth in the
5 world;

6 (9) greater citizen engagement and closer con-
7 nections between the institutions of civil society and
8 local and national governments are critical to polit-
9 ical stability and economic growth in the Americas;

10 (10) development assistance to promote micro,
11 small, and medium enterprise growth, improve the
12 investment climate, and create a competitive work-
13 force in the countries of the Region can help foster
14 economic security and stability;

15 (11) an expanding middle class in the Region
16 will result in increased demand for exports from the
17 United States;

18 (12) in partnering with the countries of the Re-
19 gion, the United States can play a positive role in
20 addressing the challenges of poverty and inequality,
21 and achieving greater energy security;

22 (13) an increased United States commitment to
23 economic and social development in the Region can
24 benefit workers and businesses in the United States;
25 and

1 (14) as President Obama said to the leaders of
2 the Region at the Fifth Summit of the Americas, the
3 United States is “committed to combating inequality
4 and creating prosperity from the bottom up . . .
5 This is by no means charity. Together, we can cre-
6 ate a broader foundation for prosperity that builds
7 new markets and powers new growth for all peoples
8 in the hemisphere”.

9 **SEC. 4. STATEMENT OF POLICY.**

10 It is the policy of the United States—

11 (1) to minimize the negative economic impact
12 on the countries in the Region of the global reces-
13 sion, and to seek a broad-based regional recovery;

14 (2) to promote democracy and the rule of law
15 in the Region;

16 (3) to promote and strengthen human rights in
17 the Region by—

18 (A) participating in the Inter-American
19 Commission on Human Rights and in the Inter-
20 American Court of Human Rights;

21 (B) concluding negotiations on the draft
22 Inter-American Convention against Racism and
23 All Forms of Discrimination and Intolerance;
24 and

1 (C) supporting the full rights of indigenous
2 peoples and Afro-descendants in the Americas,
3 including the right to participate in the political
4 and economic life of a nation;

5 (4) to improve living conditions for all citizens
6 in the Americas by—

7 (A) protecting all people in the Americas,
8 especially women, children, and adolescents,
9 from all forms of trafficking in persons and sexual
10 and economic exploitation;

11 (B) coordinating national strategies within
12 the Americas to eradicate forced labor before
13 2010, and the worst forms of child labor by
14 2020; and

15 (C) supporting programs that create opportunities
16 for work in the formal sector, and
17 programs providing workers with the technical
18 skills needed to meet the demands of labor markets;
19

20 (5) to improve public health in the countries of
21 the Americas by—

22 (A) implementing the World Health Organization's
23 International Health Regulations to
24 prevent pandemics and reduce the likelihood of
25 public health emergencies; and

1 (B) implementing the Joint United Na-
2 tions Program on HIV/AIDS;

3 (6) to improve public education in the Americas
4 by—

5 (A) supporting programs which seek to in-
6 crease enrollments in secondary and vocational-
7 technical education;

8 (B) reaffirming the commitment of the
9 United States to the 2008 Declaration of
10 Medellín: Youth and Democratic Values; and

11 (C) supporting the Inter-American Social
12 Protection Network;

13 (7) to improve the capacity of government insti-
14 tutions by—

15 (A) supporting the Inter-American Net-
16 work on Decentralization, Local Government
17 and Citizen Participation (RIAD);

18 (B) supporting the Inter-American Con-
19 vention against Corruption, adopted at Caracas,
20 Venezuela, March 29, 1996, in the fight against
21 all forms of corruption, fraudulent practices
22 and unethical behaviors.

1 **SEC. 5. ESTABLISHING A SOCIAL INVESTMENT AND ECO-**
 2 **NOMIC DEVELOPMENT FUND FOR THE AMER-**
 3 **ICAS.**

4 (a) AUTHORIZATION OF ASSISTANCE.—Part I of the
 5 Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.)
 6 is amended by adding at the end the following:

7 **“CHAPTER 13—SOCIAL INVESTMENT AND**
 8 **ECONOMIC DEVELOPMENT FOR THE**
 9 **AMERICAS**

10 **“SEC. 499G. DEFINITIONS.**

11 “In this chapter:

12 “(1) APPROPRIATE CONGRESSIONAL COMMIT-
 13 TEES.—The term ‘appropriate congressional com-
 14 mittees’ means the Committee on Foreign Relations
 15 of the Senate and the Committee on Foreign Affairs
 16 of the House of Representatives.

17 “(2) THE AMERICAS.—The term ‘Americas’
 18 means all the countries of North America, Central
 19 America, South America, and the Caribbean.

20 “(3) THE REGION.—The term ‘Region’ means
 21 all the countries of Central America, South America,
 22 the Caribbean, and Mexico.

23 **“SEC. 499H. AUTHORIZATION OF ASSISTANCE.**

24 “(a) ASSISTANCE.—The President, acting through
 25 the Administrator of the United States Agency for Inter-
 26 national Development, and working with governments and

1 civil society in the Americas, shall provide increased and
2 sustained assistance to build civilian institutions that will
3 help reduce poverty, expand the middle class, and foster
4 increased economic opportunity by—

5 “(1) promoting education;

6 “(2) improving health and disease prevention;

7 “(3) increasing access to income generating ac-
8 tivities;

9 “(4) reducing crime, particularly violent crime,
10 including—

11 “(A) murder;

12 “(B) kidnapping;

13 “(C) gang violence, including youth gangs;

14 and

15 “(D) violence against women;

16 “(5) generating rural development;

17 “(6) reducing poverty and inequality in both
18 urban and rural areas;

19 “(7) strengthening the rule of law, governance,
20 and democracy through the establishment of—

21 “(A) independent judiciaries;

22 “(B) efficient processes to adjudicate
23 claims; and

24 “(C) effective law enforcement institutions;

25 and

1 “(8) eliminating the exclusion of marginalized
2 populations, including—

3 “(A) indigenous groups;

4 “(B) people of African descent;

5 “(C) women;

6 “(D) the impoverished; and

7 “(E) people with disabilities.

8 “(b) CONTRIBUTION REQUIREMENT.—

9 “(1) IN GENERAL.—Except as provided in para-
10 graph (2), in order to receive assistance from the
11 United States under this chapter, a recipient coun-
12 try shall contribute at least 10 percent of the total
13 value of the funds the United States provides for
14 projects in the recipient country.

15 “(2) WAIVER.—

16 “(A) AUTHORITY.—The Secretary of State
17 may waive paragraph (1) if it is determined
18 that it is important to the national security in-
19 terests of the United States to do so.

20 “(B) REPORT.—Whenever the waiver au-
21 thority under subparagraph (A) is exercised,
22 the Secretary of State shall submit a report to
23 the appropriate congressional committees detail-
24 ing the justification for the waiver and the pur-
25 poses for which the funds will be spent.

1 “(3) ADDITIONAL CONTRIBUTIONS.—The Ad-
2 ministrators of the United States Agency for Inter-
3 national Development may require additional con-
4 tributions from the recipient country.

5 “(c) INELIGIBILITY TO RECEIVE ASSISTANCE.—The
6 President may not provide assistance under this section
7 to the government of a country that is ineligible to receive
8 assistance under section 620, this part, or chapter 4 of
9 part II.

10 “(d) ADDITIONAL TERMS AND CONDITIONS.—The
11 President may impose additional terms and conditions on
12 countries receiving assistance under this section.

13 “(e) COORDINATION WITH OTHER FEDERAL AGEN-
14 CIES.—The Administrator of the United States Agency for
15 International Development shall coordinate with the heads
16 of other Federal departments and agencies as necessary
17 to carry out this section.

18 **“SEC. 499I. EVALUATION.**

19 “(a) IN GENERAL.—The Administrator of the United
20 States Agency for International Development shall ensure
21 that projects carried out under this chapter are subject
22 to rigorous, independent impact evaluations at the initial
23 design stage and the conclusion of the projects to deter-
24 mine if the projects are helping—

25 “(1) to reduce poverty in the Americas; and

1 “(2) to foster social and economic development
2 in the countries of the Americas.

3 “(b) COORDINATED EVALUATIONS.—If possible, the
4 evaluations shall be conducted in coordination with evalua-
5 tions of similar projects that other donors fund in order
6 to expand the evidence base used for making decisions.

7 “(c) USE OF EVALUATIONS.—The Administrator of
8 the United States Agency for International Development
9 shall use information from the evaluations conducted
10 under subsection (a) to inform future project decisions.

11 **“SEC. 499J. REPORT.**

12 “Not later than 1 year after the date of the enact-
13 ment of the Social Investment and Economic Development
14 for the Americas Act of 2010, and annually thereafter,
15 the President shall submit to Congress a report on the
16 specific programs, projects, and activities carried out
17 under this chapter during the preceding year, including
18 an evaluation of the results of the programs, projects, and
19 activities.

20 **“SEC. 499K. BUDGET.**

21 “The report required under section 499J may be sub-
22 mitted with the budget justification materials submitted
23 to Congress and the budget submitted by the President
24 under section 1105(a) of title 31, United States Code.

1 **“SEC. 499L. AUTHORIZATION OF APPROPRIATIONS.**

2 “(a) IN GENERAL.—In addition to amounts other-
3 wise authorized to be appropriated for assistance to the
4 Region, there are authorized to be appropriated to carry
5 out this chapter—

6 “(1) \$175,000,000 for fiscal year 2010;

7 “(2) \$225,000,000 for fiscal year 2011;

8 “(3) \$275,000,000 for fiscal year 2012;

9 “(4) \$300,000,000 for fiscal year 2013; and

10 “(5) \$325,000,000 for fiscal year 2014.

11 “(b) ADDITIONAL AUTHORITIES.—Amounts appro-
12 priated pursuant to subsection (a) shall remain available
13 until expended.

14 “(c) FUNDING LIMITATION.—Not more than 7 per-
15 cent of the amounts appropriated pursuant to subsection
16 (a) for a fiscal year may be used for administrative ex-
17 penses to carry out programs authorized in subsection (a).

18 “(d) MICROFINANCE GROWTH FUND FOR THE
19 AMERICAS.—

20 “(1) PURPOSE.—The purpose of the Micro-
21 finance Growth Fund for the Americas is to provide
22 the countries in the Region with—

23 “(A) stable, medium-term and long-term
24 sources of finance to microfinance institutions;
25 and

26 “(B) investment vehicles.

1 “(2) SENSE OF CONGRESS.—It is the sense of
2 Congress that United States contributions to the
3 Microfinance Growth Fund for the Americas should
4 be matched on a dollar-for-dollar basis with con-
5 tributions from the public, private, or non-profit sec-
6 tors.

7 “(3) AUTHORIZATION OF APPROPRIATIONS.—
8 There is authorized to be appropriated \$50,000,000
9 in each of the fiscal years 2010 through 2014 for
10 debt and equity financing for the Microfinance
11 Growth Fund for the Americas.

12 “(e) CAPACITY BUILDING RELATED TO TRADE PRO-
13 MOTION AGREEMENTS.—There is authorized to be appro-
14 priated to the United States Agency for International De-
15 velopment \$15,000,000 in each of the fiscal years 2010
16 through 2014 for labor and environmental capacity build-
17 ing activities relating to the implementation of trade pro-
18 motion agreements.

19 “(f) ELIGIBLE AGREEMENTS.—The agreements
20 under subsection (e) may include agreements between the
21 United States and other countries that are—

22 “(1) ratified agreements;

23 “(2) pending agreements; or

24 “(3) potential agreements.

1 “(g) PROPOSED PUBLIC-PRIVATE FUND FOR SOCIAL
2 AND ECONOMIC DEVELOPMENT IN THE AMERICAS.—

3 “(1) IN GENERAL.—The Secretary of State, in
4 consultation with the Secretary of the Treasury and
5 the Administrator of the United States Agency for
6 International Development, shall immediately estab-
7 lish and convene an advisory group, consisting of
8 persons with a relevant professional background in
9 the Americas from the public, private, and nonprofit
10 sectors, to consider the feasibility of establishing a
11 new public-private Fund for Social and Economic
12 Development in the Americas (referred to in this
13 section as “the Fund”).

14 “(2) SENSE OF CONGRESS.—It is the sense of
15 Congress that—

16 “(A) the Fund should be governed by a
17 board composed of members drawn from the
18 public, private, and nonprofit sectors in the
19 United States and the Region;

20 “(B) building on initiatives already under-
21 way in the Region, the Fund should make
22 grants for the purpose of advancing long-term
23 social and economic development in the Amer-
24 icas;

1 “(C) governments, development organiza-
2 tions, and private foundations throughout the
3 world should contribute to the Fund, and the
4 contribution of the United States Government
5 to the Fund should be no greater than $\frac{1}{3}$ of the
6 total annual budget of the Fund; and

7 “(D) each country choosing to participate
8 in the Fund should be required to contribute at
9 least 10 percent of the annual total of grants
10 received by such country, to ensure the active
11 involvement of the country in the operation of
12 the Fund and the grant-making process.

13 “(3) REPORT.—

14 “(A) IN GENERAL.—Not later than 1 year
15 after the date of the enactment of this Act, the
16 advisory group established under paragraph (1)
17 shall submit to the Secretary of State and the
18 appropriate congressional committees a report
19 containing conclusions about the feasibility of a
20 Fund and its recommendations for organizing,
21 financing, and operating the Fund.

22 “(B) CONTENTS OF THE REPORT.—The
23 report submitted under subparagraph (A) shall
24 include a determination of the advantages and

1 disadvantages of establishing and operating the
2 Fund within an existing institution, such as—
3 “(i) the Inter-American Foundation;
4 “(ii) the World Bank; or
5 “(iii) the Inter-American Development
6 Bank.

7 “(4) AUTHORIZATION OF APPROPRIATIONS.—
8 There are authorized to be appropriated such sums
9 as may be necessary for fiscal year 2010 for the
10 purpose of carrying out this subsection.”.

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